



September 15, 2010

**VIA ELECTRONIC FILING**

Ms. Jocelyn Boyd  
Chief Clerk and Administrator  
South Carolina Public Service Commission  
101 Executive Center Dr., Suite 100  
Columbia, SC 29210

Dear Ms. Boyd:

Re: Filing of Quarterly Monitoring Report by Piedmont Natural Gas Company, Inc.  
Pursuant to S.C. Code §58-5-430  
Docket No. 2010-7-G

Pursuant to Section 58-5-430 of the South Carolina Natural Gas Rate Stabilization Act, enclosed is the quarterly monitoring report for the twelve-month period ending June 30, 2010, for Piedmont Natural Gas Company, Inc.

If you have any questions about this filing, you may reach me at 704-731-4560 or Robert Thornton at 704-731-4148.

Sincerely,

s/ Jenny Furr  
Jenny Furr  
Manager, Regulatory Reporting

Enclosures

c: ORS – Carey Stites (5 copies via overnight delivery)  
Scott Elliott  
James H. Jeffries IV

# CERTIFICATION

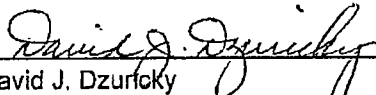
I, Thomas E. Skains and David J. Dzuricky, state and attest, under penalty of perjury, that the attached Quarterly Monitoring Report is filed on behalf of Piedmont Natural Gas Company, Inc. as required by the Public Service Commission of South Carolina; That I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.



Thomas E. Skains  
President and CEO

9/15/10

Date Signed



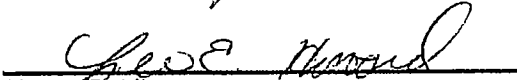
David J. Dzuricky  
Senior Vice President and CFO

9/13/10

Date Signed

Subscribed and Sworn to before me this

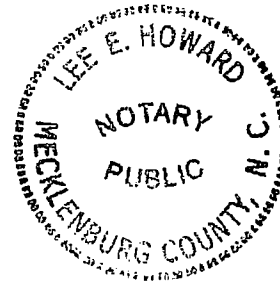
15 day of September, 2010.



Notary Public

Lee E. Howard

My Commission Expires MY COMMISSION EXPIRES 10-29-10



Net Operating Income and Rate of Return  
For The Twelve Months Ended June 30, 2010  
South Carolina  
Page 1 of 2

	(1)	(2)	(3)
	<u>Per Filing</u>	<u>Accounting And Pro Forma Adjustments</u>	<u>After Pro Forma Adjustments</u>
Operating Revenues			
Sale of Gas	\$ 183,850,517	\$ (14,165,318)	\$169,685,199
Other Operating Revenues	892,711	-	892,711
Total Operating Revenue	<u>\$ 184,743,228</u>	<u>\$ (14,165,318)</u>	<u>\$ 170,577,910</u>
Operating Expenses			
Cost of Gas	\$ 116,239,404	\$ (17,423,979)	\$ 98,815,425
Other Operation & Maintenance	27,434,973	(910,071)	26,524,902
Depreciation	11,991,666	585,160	12,576,826
General Taxes	7,022,046	(106,953)	6,915,094
State Income Taxes	1,144,863	(128,643)	1,016,220
Federal Income Taxes	5,271,886	1,485,977	6,757,863
Amort. of ITC	(32,633)	-	(32,633)
Total Operating Expenses	<u>\$ 169,072,205</u>	<u>\$ (16,498,508)</u>	<u>\$ 152,573,697</u>
Net Operating Income	<u>\$ 15,671,023</u>	<u>\$ 2,333,190</u>	<u>\$ 18,004,213</u>
Interest on Customer Deposits	(140,205)	-	(140,205)
Amortization of Debt Redemption Premium	(2,892)	9	(2,883)
AFDUC (Allowance for Funds Use Const)	51,424	-	51,424
Customer Growth	65,229	9,799	75,029
Net Operating Income For Return	<u>\$ 15,644,580</u>	<u>\$ 2,342,999</u>	<u>\$ 17,987,579</u>
Original Cost Rate Base			
Plant in Service	\$ 388,318,582	\$ -	\$ 388,318,582
Accumulated Depreciation	(161,122,449)	-	(161,122,449)
Net Plant in Service	<u>\$ 227,196,133</u>	<u>\$ -</u>	<u>\$ 227,196,133</u>
Add:			
Construction Work in Progress	4,662,093	-	4,662,093
Materials and Supplies	15,164,452	-	15,164,452
Cash Working Capital	1,412,356	(146,551)	1,265,805
Deduct:			
Customer Advances for Construction	-	-	-
Customer Deposits	3,998,481	-	3,998,481
Accumulated Deferred Income Taxes	47,281,345	-	47,281,345
Unclaimed Funds	243,708	-	243,708
Total Original Cost Rate Base	<u>\$ 196,911,501</u>	<u>\$ (146,551)</u>	<u>\$ 196,764,950</u>
Return on rate base	<u>7.94%</u>		<u>9.14%</u>

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
			After Accounting and Proforma Adjustments					
	Per Books Capitalization	Accounting and Pro Forma Adjustments	Settlement Capitalization	Ratio %	Cost Net Investment	Embedded Cost %	Overall Cost Rate %	Net Operating Income
1. Long-Term Debt	\$ 723,377,085.00	\$ -	\$ 723,377,085.00	42.24%	\$ 83,119,170.00	6.4120%	2.71%	\$ 5,329,601.18
2. Common Equity	989,046,835.84	-	989,046,835.84	57.76%	113,645,779.00	11.1400%	6.43%	12,657,977.66
3. Total	\$ 1,712,423,921	\$ -	\$ 1,712,423,921	100.00%	\$ 196,764,949		9.14%	\$ 17,987,579

## CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the attached *Quarterly Monitoring Report for the Twelve-Month Period Ending June 30, 2010* is being served this date via email and UPS Overnight (5 copies) upon:

Jeffrey M. Nelson  
C. Lessie Hammonds  
Carey Stites  
Nanette S. Edwards  
Office of Regulatory Staff  
1401 Main Street  
Suite 900  
Columbia, South Carolina 29201  
jnelson@regstaff.sc.gov  
lhammon@regstaff.sc.gov  
cstites@regstaff.sc.gov  
nsedwar@regstaff.sc.gov

And that a copy of the attached *Quarterly Monitoring Report for the Twelve-Month Period Ending June 30, 2010* is being served this date via email and U.S. Mail upon:

Scott Elliott  
Elliott and Elliott, PA  
721 Olive Street  
Columbia, South Carolina 29205  
sellott@elliottlaw.us

David Carpenter  
Managing Director Regulatory Affairs  
Piedmont Natural Gas Company, Inc.  
P.O. Box 33068  
Charlotte, North Carolina 28233  
david.carpenter@piedmontng.com

Pia Powers  
Manager, Regulatory Affairs  
Piedmont Natural Gas Company, Inc.  
P.O. Box 33068  
Charlotte, North Carolina 28233  
pia.powers@piedmontng.com

This the 15th day of September, 2010.

s/ James H. Jeffries IV  
James H. Jeffries IV